

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Required Report - public distribution

Date: 6/2/2010

GAIN Report Number: TH0082

Thailand

Rice Price - Weekly

Weekly Rice Price Update

Approved By:

Orestes Vasquez, Agricultural Attache

Prepared By:

Ponnarong Prasertsri, Agricultural Specialist

Report Highlights:

TH0082 Export prices declined significantly by 2-5 percent as millers released their speculative stocks due to liquidity concerns. Meanwhile, foreign demand for Thai rice remained quiet as most enquiries focused on Vietnamese rice.

Post:

Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Weekending May 31, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV. (May 10)
F WR 100 B	975	-	980	-	960	905	-	955	970
WR 100 B	460	-	475	-	470	460	460	465	480
PB 100%	420	-	465	-	470	455	480	458	479
PB 5%	415	-	455	-	465	450	475	452	470
WR 5%	425	-	445	-	450	430	450	440	455
WR 10%	-	-	390	-	440	425	-	418	440
WR 15%	-	-	400	-	-	420	-	410	417
WR 25%	-	-	390	-	-	395	-	393	395
WR 35%	-	-	-	-	-	-	-	-	-
A1 S UP	320	-	320	-	330	330	-	325	331
A1 S PEC	-	-	-	-	-	-	-	-	-

Exchange rate: 32.40 baht/U.S.\$

Source: Average actual prices received from exporters

Export prices declined significantly by 2-5 percent as millers released their speculative stocks due to liquidity concerns. Most of the millers that bought high at the beginning of the harvest period, speculating that prices would continue their upward trend, are suffering losses as prices have trended downward since the beginning of the year following lower-than-expected export demand. Meanwhile, foreign demand for Thai rice remained quiet as most enquiries focused on Vietnamese rice. Presently, Vietnamese rice prices increased significantly by 7-10 percent from the previous month. However, the price difference between Thai and Vietnamese rice remains far above the typical \$20-30/MT.

The weekly benchmark price for white rice for May 31 – June 6 increased slightly as such farmers will receive slightly lower compensation from the previous week. However, farmers that sell their supplies in this period will be able to arbitrage as market prices remain above the benchmark prices.

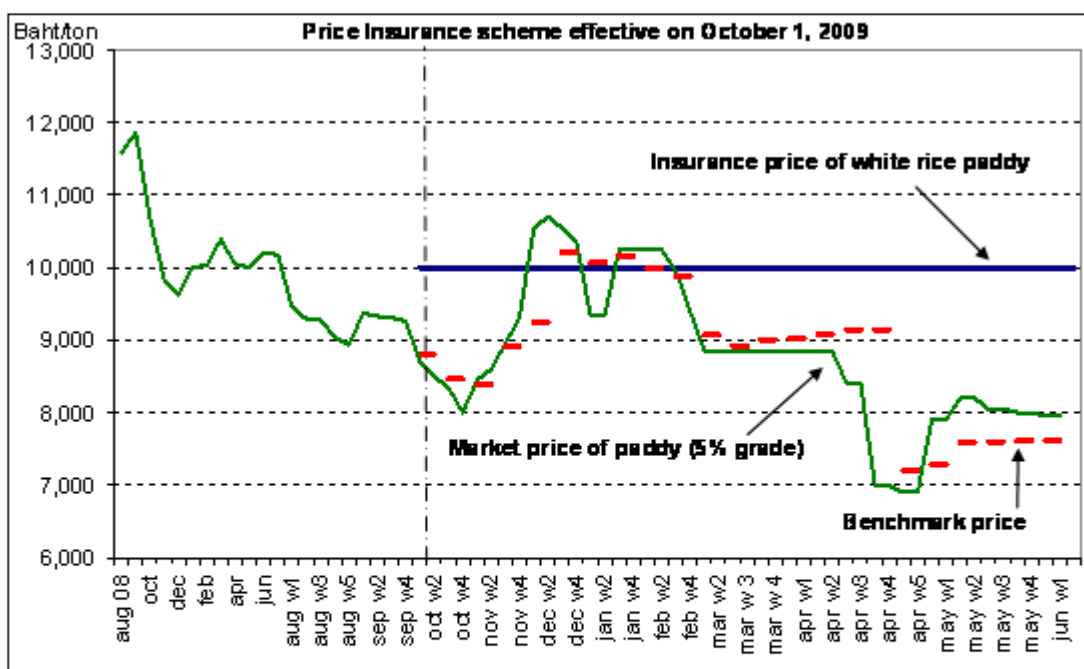
Table 2: Price Insurance Scheme for MY 2009/2010 rice crop

	Rice paddy				
	Fragrant rice (Hommali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) ^{a/}	14	16	25	16	25
2. Insured prices (Baht/ton) ^{a/}	15,300	14,300	11,000 ^{d/}	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/ c/}					
May 3-9	-	-	9,781	11,382	7,289
May 10-16	-	-	9,769	11,668	7,589
May 17-23	-	-	9,810	12,135	7,598
May 24-30	-	-	9,786	12,360	7,612
May 31 - Jun 6	-	-	9,728	12,441	7,614
4. Compensation (1-2), (Baht/ton)					
May 3-9	-	-	1,219	-	2,711
May 10-16	-	-	1,231	-	2,411
May 17-23	-	-	1,190	-	2,402
May 24-30	-	-	1,214	-	2,388
May 31 - Jun 6	-	-	1,218	-	2,386
5. Market prices (Baht/ton)					
May 3 - 9	13,450	13,500	9,700	12,250	7,900
May 10-16	13,500	13,250	9,900	13,450	8,200
May 17-23	13,650	13,250	10,050	13,300	8,050
May 24-30 ^{e/}	13,400	13,250	10,050	13,300	8,000
May 31 - Jun 6 ^{e/}	13,400	13,250	10,050	13,350	7,950

Note:

^{a/} Cabinet approval on Sep. 22, 2009^{b/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.^{d/} The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 tons/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010^{e/} As of May 31, 2010

Figure 2: Comparison of market price, insurance price, and benchmark price



Note: 1/ Benchmark prices are average historical wholesales prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

2/ Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

3/ Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for May 24-30, 2010 totaled 130,412 tons, up 15,225 tons from the previous week, and up 8,687 tons from the four-week moving average of 121,726 tons. Exports of white rice and parboiled rice during January 1 – May 30, 2010 totaled 2,469,071 tons, up 4.8 percent from 2,355,142 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – May 14, 2010 amounted to 3,024,735 tons, down 4.3 percent from 3,161,294 tons in the previous year.

Table 3: Weekly rice exports (excluding fragrant rice)

WEEK ENDING	QUANTITY	4 WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Mar 21	119,203	131,543	1,411	1,166	21.1
Mar 28	93,840	115,525	1,505	1,254	20.0
Apr 4	101,112	106,996	1,606	1,358	18.3
Apr 11	116,187	107,586	1,722	1,446	19.1
Apr 18	55,038	91,545	1,778	1,494	19.0
Apr 25	103,306	93,911	1,881	1,640	14.7
May 2	101,686	94,054	1,982	1,783	11.5
May 9	122,091	95,530	2,104	1,918	9.7
May 16	119,212	111,574	2,223	2,053	8.3
May 23	115,187	114,544	2,339	2,222	5.3
May 30	130,142	121,726	2,469	2,355	4.8

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Source: Board of Trade of Thailand

Table 4: Weekly private registered rice export sales

Movement (MT)	May 10-14	May 17-21	May 24-28
Weekly sales	107,008	176,357	122,644
4 week sum	547,613	568,360	549,970
4 week mov. avg.	136,903	142,090	137,493
Year-to-date sales	2,524,310	2,700,667	2,823,311

End of report.

